

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 3332-01
BILL NO.: HB 1682
SUBJECT: Disabilities; Office of Administration
TYPE: Original
DATE: February 14, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$80,061)	(\$91,205)	(\$93,250)
Total Estimated Net Effect on <u>All</u> State Funds	(\$80,061)	(\$91,205)	(\$93,250)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Division of Purchasing and Materials Management** assume this proposal would require one Buyer III position (1 FTE at \$37,260 per year) to perform research and analysis necessary for the Commissioner of Administration to determine fair market prices and establish minimum specifications for products/services provided by qualified organizations for the blind, sheltered workshops and Missouri Bureau of the Blind projects. The Buyer would review the list of products/services submitted by the Division of Family Services (DFS) and determine if they met minimum specifications required by state agencies. This would involve a detailed analysis of the qualities of each product/service and comparison to state agencies' needs. The Buyer III would also conduct ongoing market analysis for each product/service to determine a fair market price.

Officials from the **Department of Social Services (DOS)** assume there would be costs associated with the implementation of this act for collection of data about the products and services available from the blind assistance facilities and the publication and distribution of the lists of these products. One Clerk IV (1 FTE at \$17,764 per year) is assumed to be needed for this activity and publication and distribution of the lists is assumed to be \$10,000. Since the Division does not have specific data on the total number of products and services or the total number of sheltered workshops and other blind assistance facilities, this should be viewed as a minimal estimate. No estimate is made for publication fees which may be charged, since the fee is permissive and they would be deposited to the State Treasurer and would not directly offset any costs. **Oversight** assumes the additional FTE would be located in existing facilities and has not included rental costs in the fiscal impact specifications below.

Officials from the **Office of the State Auditor (SAU)** assume the proposed legislation would create additional workload. The SAU noted that considering the burden placed on its office by existing law to perform similar examinations upon request, it appears the SAU could perform this requirement with existing staff/funding; however, if the number of requests became burdensome, additional staff/funding would need to be requested.

Officials from the **Department of Elementary and Secondary Education (DES)** assume the proposed legislation would have no fiscal impact on the DES. However, the DES assumes it could result in a potential revenue increase for local sheltered workshops.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE			
<u>Costs - Office of Administration (COA)</u>			
Personal Service (1 FTE)	(\$31,826)	(\$39,146)	(\$40,125)
Fringe Benefits	(9,786)	(12,037)	(12,338)
Expense and Equipment	(3,980)	(309)	(318)
Total <u>Costs</u> - COA	(\$45,592)	(\$51,492)	(\$52,781)
<u>Costs - Department of Social Services (DOS)</u>			
Personal Service (1 FTE)	(\$15,194)	(\$20,765)	(\$21,284)
Fringe Benefits	(4,672)	(6,385)	(6,545)
Expense and Equipment	(14,603)	(12,563)	(12,640)
Total <u>Costs</u> - DOS	(\$34,469)	(\$39,713)	(\$40,469)
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>(\$80,061)</u>	<u>(\$91,205)</u>	<u>(\$93,250)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could impact small businesses if they provide the same types of products or services provided by qualified nonprofit organizations for the blind, sheltered workshops or Missouri Bureau of the Blind projects. State agencies would be required to purchase these products/services from the above organizations and school districts would be required to purchase the products only (not services).

DESCRIPTION

This bill requires the Commissioner of the Office of Administration and all state agencies to purchase certain materials, supplies, and services that are produced by workshops and home industry projects for the blind or other handicapped persons. School districts are also required to purchase these products but are not required to purchase services. The products must be

DESCRIPTION (continued)

purchased from a list supplied to the Office of Administration by the Division of Family Services with the advice of the Bureau of the Blind. If a blind assistance facility is unable to meet delivery of a product, a waiver must be issued by the Division of Family Services. The commissioner must determine the fair market price of the products offered on the list. All products must meet specifications required by the commissioner and the product list must be updated periodically.

The Division of Family Services may charge a reasonable publication fee to those blind assistance facilities which advertise their products or services on the product list.

The bill also deletes current language regarding state purchasing preferences to qualified nonprofit organizations for the blind and certified sheltered workshops.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

This proposal would not affect Total State Revenues.

SOURCES OF INFORMATION

Office of Administration - Division of Purchasing and Materials Management
Department of Social Services
Office of the State Auditor
Department of Elementary and Secondary Education



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February 14, 2000